

MORNING GLANCE



40,804	▲ 46	▲ 0.11%
84 mn	YTD -0.03%	1 Year -11.13%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,858.20	37.5	0.21% ▼
DSE 30	2,197.27	1.49	0.07% ▼
SHANGHAI	3,174.32	10.87	0.34% ▲
Hang Seng	21,487.50	26.6	0.12% ▼
Nikkei 225	26,130.00	319.82	1.21% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,794.04	69.06	0.89% ▲
DAX 30	15,058.30	110.39	0.74% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	34,189.97	216.96	0.64% ▲
S&P 500	3,983.17	13.56	0.34% ▲
NASDAQ	11,459.61	57.09	0.50% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,899.10	0.30	0.02% ▲
Oil-WTI (bbl)	78.04	0.35	0.45% ▼

Currencies	Value	Chg.	Chg. (%)
USD/PKR	228.50	0.25	0.11% ▲
EURO/PKR	245.91	0.61	0.25% ▲
GBP/PKR	277.57	0.2	0.07% ▼
AED/PKR	62.17	0.07	0.11% ▲

Source: dps.psx.com.pk, investing.com, forex.com

Market Outlook

KSE-100 on Thursday remained positive for the majority part of the day. However, later on, it lost its impetus and managed to close flat amid political uncertainty prevailing in the country. The index made an intra-day high and low at 41,220 (461 points) and 40,669 (-89 points) respectively while closed at 40,804 by gaining 46 points. Trading volume has decreased to 84mn shares as compared to 110mn shares on the previous trading day. Going forward, we expect the market to remain volatile amid uncertain political and macroeconomic conditions. The market is likely to test its support at 40,600. Breaking this level would further drag the index towards 39,800. Contrarily, the resistance for the index resides at 41,000.

Key News

International

Yen flying as market challenges BOJ, stocks cheer inflation's retreat

Asian stocks rose on Friday as investors cheered a slowdown in U.S. inflation, while the yen hit a seven-month high and Japanese bond yields broke above the central bank's target as markets challenged Tokyo's commitment to loose monetary policy. MSCI's broadest index of Asia-Pacific shares outside Japan (.MIAPJ0000PUS) rose 0.8% to hit a new seven [see more...](#)

Oil heads for solid weekly gain on China demand hopes

Oil prices slipped in early trade on Friday but were on track for gains of more than 6% for the week on solid signs of demand growth in top crude oil importer China and expectations of less aggressive interest rate hikes in the United States. Brent crude futures fell 17 cents, or 0.2%, to \$83.86 a barrel by 0119 GMT, while U.S. West Texas Intermediate (WTI) crude [see more...](#)

Politics

Dissolution of Punjab, KPK PAs in sight: CM Elahi signs summary for dissolving Punjab Assembly

Pakistan Tehreek-e-Insaf (PTI) Senior Vice President Fawad Chaudhry has announced that Punjab Chief Minister Parvez Elahi has signed the summary for the dissolution of the Punjab Assembly, which would be sent to Punjab Governor Muhammad Baligh-ur-Rehman for his consent. "On [see more...](#)

Economy

UAE to loan \$1bn, roll over another \$2bn - Positive

The United Arab Emirates agreed on Thursday to lend \$1 billion to Pakistan and roll over an existing \$2 billion loan, information minister Marriyum Aurangzeb said, offering some respite to a nation still reeling from devastating floods. Pakistan says it suffered more than \$30 billion of damage as floodwaters swept across the country from July- [see more...](#)

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Germany inks two framework agreements worth Euro 28m - Positive

The Government of Pakistan and Germany signed two framework agreements -amounting Euro 28 million focusing on the socio-economic uplift and sustainable development of Pakistan. German Ambassador to Pakistan Alfred Grannas representing the German Government and the Ministry of Economic Affairs signed agreements in the energy and governance sectors. Alfred [see more...](#)

SBP-held foreign exchange reserves plunge another \$1.23 bn, now stand at \$4.3bn - Negative

Foreign exchange reserves held by the State Bank of Pakistan (SBP) fell by a hefty \$1.23 billion to a highly critical level of \$4.34 billion, data released on Thursday showed. This is the lowest level of SBP's reserves since February 2014. Total liquid foreign reserves held by the country stood at \$10.19 billion. Net foreign reserves held by commercial banks stood at \$5.85 billion. "During the week [see more...](#)

Issues related to foreign exchange to be addressed soon: SBP governor - Neutral

Governor of State Bank of Pakistan (SBP) Jameel Ahmad has assured the business community of resolving the issue of restrictions on dollar soon, as manufacturers projected dim prospects regarding industrial production if import of raw materials remains blocked. Speaking at a dinner hosted by Qaiser Ahmed Shaikh, the chairman of the National Assembly's [see more...](#)

Economist sees GDP growth in negative arena - Neutral

All economic indications of the first six months of the current year suggest that Pakistan's GDP growth will be in the negative arena even though the World Bank has projected it at positive two percent. This was stated by former finance minister Dr Hafeez Pasha while talking to Business Recorder. When asked why the International Monetary Fund (IMF) has not yet revised GDP growth projection, he said the Fund would revise the [see more...](#)

THE RUPEE: PKR declines further - Negative

Pakistan's rupee registered a decline against the US dollar for the 17th successive session, depreciating 0.09% in the inter-bank market on Thursday. As per the State Bank of Pakistan (SBP), the rupee declined by Re0.21 to close at 228.14. During the ongoing fiscal year, the rupee has depreciated 10.25% against the greenback. On Wednesday, the rupee had registered a loss for the 16th successive session against the US dollar to settle at [see more...](#)

Deal signed with SFD to finance oil derivatives worth \$1bn - Positive

The Saudi Fund for Development (SFD) and Pakistan, on Thursday, signed a new agreement to finance oil derivatives worth \$1 billion to Pakistan. The agreement was signed by Chief Executive Officer (CEO) of SFD, Sultan Abdulrahman Al-Marshad, and Secretary Ministry of Economic Affairs Dr Kazim Niaz in the presence of Saudi Arabia and Pakistani [see more...](#)

Banking sector: deposits, advances post growth YoY in December - Positive

Pakistan's banking sector deposits posted a growth of 7.1% on a year-on-year (YoY) basis in December 2022, revealed data released by the State Bank of Pakistan (SBP). Deposits increased to Rs22.467 trillion by December 2022, compared to Rs20.972 trillion in December 2021. However, on a monthly basis, deposits declined by 1.2%, compared to [see more...](#)

Kuwait Petroleum Corporation dues: PSO asks PD to provide \$220m payment - Neutral

Pakistan State Oil (PSO) on Thursday asked the Petroleum Division for a payment of \$220 million to Kuwait Petroleum Corporation (KPC) to ensure a smooth supply of high-speed diesel (HSD) and jet fuel. Document available with Business Recorder revealed that the extended credit facility of 60 days to the government under HSD import from KPC has [see more...](#)

Ogra notifies decline in prices of LNG - Positive

The Oil and Gas Regulating Authority (OGRA), on Thursday, notified a decline in the prices of LNG for the month of January in its monthly review. The price has been worked out based on 10 cargoes of LNG. Pakistan State Oil (PSO) imported nine cargoes and Pakistan LNG Limited (PLL) one cargo. The average DES price of PSO of nine cargoes was determined \$ 10.9679 per mmbtu and PLL imported single cargo at [see more...](#)

Refund 'suspension': Paapam says tractor parts-manufacturing SMEs facing severe liquidity crunch - Negative

At least 300 tractor parts manufacturing SMEs have been forced to shut their units amidst a total crash in tractors' demand along with a severe liquidity crunch following the suspension of refunds by the Federal Board of Revenue to tractor assemblers, which was due for a long time. In a [see more...](#)

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DEFINITION OF TERMS

TP	Target Price	DDM	Dividend Discount Model	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DCF	Discounted Cash Flows
PE	Price to Earnings Ratio	PB	Price to Book Ratio	BVPS	Book Value Per Share
EPS	Earnings Per Share	DPS	Dividend Per Share	ROE	Return of Equity
ROA	Return on Assets	SOTP	Sum of the Parts	JPB	Justified Price to Book

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To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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Stock Rating	Expected Total Return	Sector Rating	Sector Outlook
BUY	Greater than 15%	Overweight	Positive
HOLD	Between -5% to 15%	Market Weight	Neutral
SELL	Less than and equal to -5%	Underweight	Negative

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The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

PREPARED BY

Muhammad Salman

Phone: (+92) 42 38302028

Ext: 116

Email: salman@abbasiandcompany.com

RESEARCH DEPARTMENT

6 - Shadman, Lahore

Phone: (+92) 42 38302028; Ext: 116, 117

Email: research@abbasiandcompany.com

web: www.abbasiandcompany.com

HEAD OFFICE

6 - Shadman, Lahore

Phone: (+92) 42 38302028

Email: info@abbasiandcompany.com

web: www.abbasiandcompany.com